

**CONFIDENTIAL**

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26 OCT 1955

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MEMORANDUM FOR: 

SUBJECT : Penalty Indicia Mail

1. The Council, on the basis of Mr. Saunder's letter of 12 October 1955 to the Post Office Department, has accepted that Department's recent proposal for the simplification of the reimbursement procedure for penalty mail. Future reimbursements for penalty mail will not be based on actual mailings.

2. It will be appropriate, therefore, to discontinue immediately the daily count and record of mailings which are now being made pursuant to paragraph 3.a. of the Instructions Regarding Penalty Indicia Mail which were attached to Mr. Saunder's memorandum to you, dated 19 October 1955.

3. It will be appropriate also to discontinue the quarterly report on mailings to the Chief, Fiscal Division, Office of the Comptroller, CIA, which is required by paragraph 3.b. of the instructions referred to above.

4. The Post Office Department's proposal for penalty mail reimbursement contemplates the need for possible adjustments in the agreed upon rate of annual reimbursement in the event of substantial change in the volume of mail dispatched under the penalty privilege. In view of the very small volume of mailings by the Council, we do not believe it is necessary to establish any formal procedure to detect substantial changes in volume. This Office will plan, however, when we make an annual determination concerning the estimated annual volume of CIA mailings under the penalty privilege, to contact your office on an informal basis to confirm that there have been no program changes which would substantially affect the volume of your mailings.

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 Deputy Comptroller

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TAS/HNL/bay (25 Oct 55)

Orig. &amp; 2 - Addressee

1 - Deputy Comptroller

1 - C/Fiscal Division

1 - TAS Subject Return

1 - TAS Chrono

1 - Reading File

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